Appendix E– Allowance "Hot List"

ALLOWANCE HOT LIST

Application No. _10020866_   Prepared by _E Nimmons_

Examiner-TC _Harrison_   Date _9-20-04_

JACKET:

(YES) NO   Primary Examiner box complete.

(YES) NO   Issuing Classification complete.

PTO-892/1449:

(YES) NO   Examiner's initials or cross-through lines supplied for each item cited by applicant.

(YES) NO   Date(s) supplied/complete on all PTO-1449/892 sheets. (Month and year required.)

SPEC:

(YES) (NO)   Brief Description of Drawings includes description of each figure in drawings.

YES (NO)   Continuing data is mentioned in 1st paragraph. (Can be an insert.)

CLAIMS:

(YES) NO   Claims listed on Notice of Allowability match allowed claims and/or index of claims.

(YES) NO   Claims correctly numbered in index.
(No duplicate or missing claim numbers.)
(No incorrect dependencies.)

CRFE:

YES (NO)   If necessary (biological sequence listing).

NOTICE OF ALLOWABILITY:

(YES) NO   Either Box No. 3 (drawings accepted) or Box No. 6 (corrected drawing request) has been checked.

MARYLAND LAUNCHES LET IT RIDE®

As lotteries have exploited the potential for instant tickets over the last decade, the era of the blockbuster online sales began to wane except when bloc lotto jackpots high megalevels.

Now the Maryland Lottery is seeking to reenergize its online game category which represents a solid 80% of its total sales.

For more than a year, the lottery has been working with its online vendor, Automated Wagering International (AWI), to bring to market a radical new concept known as the "parlay game."

A parlay game is not a matrix game. It is based on successive opt-in draws with progressive jackpots enabling permutation betting. The player controls the odds and desired prizes. The game is scalable and adaptable to different venues and markets.

On April 30, the lottery launched its $1 Let It Ride®; the game's name is a registered trademark of Shuffle Master, Inc. under license by AWI, Inc. Players have the opportunity to win up to $1 million from their original $1 play

RATIONALE FOR LAUNCH

The Maryland Lottery chose to be a pioneer in launching a parlay game in order to secure its place in the competitive Mid-Atlantic region.

"The Maryland Lottery is surrounded by aggressive lotteries (D.C., Pennsylvania, Virginia, Delaware and West Virginia), several of which have video lottery (Delaware and West Virginia)," explained Tracy Cohen, strategic planning manager, Maryland Lottery. "In an effort to compete, we needed to develop something new and exciting to expand as well as maintain our player base. We knew that if we did not try and expand our current product mix, we would be faced with potential sales stagnation and possible decline."

Cohen believes parlay-style games can reinvigorate sales because players have more interaction and control.

"We believe this new game concept is just what our market wants," said Cohen. "We are also very happy that our AWI team in Maryland created this game knowing our current market/political situation and player base."

PLAYER DEMOGRAPHICS

AWI's research of the potential player in Maryland revealed parlay games appeal to all types of lottery players; in fact, 50% reported parlay games are more appealing than existing lottery games. In this research, 70% thought parlay games offered more chances to win, larger payouts and prize amounts, better odds of winning and more flexibility and play options.

What type of player demographic is likely to be attracted to Let It Ride®? "The younger/well educated player-those seeking entertainment, excitement, winning experiences and control," predicted Cohen. "However, we think our current player base is also really going to like this game."

ADVERTISING PROGRAM

The launch of Let It Ride® will include TV, radio, Internet, POS, transit and outdoor advertising plus PR. The lottery will run a special game simulation on its website. "We'll also be doing promotions (nth ticket and direct mail coupons) in addition to our very popular lottery parties," said Cohen.

"Also we will have a special drawing for Let It Ride® an hour before our other drawings to distinguish the drawing and hopefully give it special cache," said Cohen. "For May and June, the drawing will last a minute to continue education and relay information about players' winning experiences. In July the drawing will last 30 seconds. There will be a host for these drawings to help educate the players and generate excitement for the game."

Recently, the lottery held agent rallies to help educate agents. "We really believe that word of mouth (due to all the winning experiences) will generate a tremendous amount of excitement for

the game." (For the first five weeks of the game launch, there will be agent incentives offered by the lottery.)

HOW TO PLAY

Let It Ride® is a four-digit parlay game. There are four columns with the numbers 0-9 in each column on the front of the playslip. The columns are labeled with the letters R I D E. Column 1 is labeled "R," column 2, "I," column 3, "D," and column 4, "E."

First, players must select how many single-digit numbers (called spots) they want to mark in each column. They chose up to seven spots per column.

Next, players must select their individual spots for each column.

After all spots are selected, players must select the number of consecutive draws (up to a total of seven draws). The number of drawings can not exceed the number of spots selected in each column above. For example, if three numbers (spots) are selected per column, then a maximum of three draws can be selected. Drawings are held Monday through Saturday.

Finally, players must make their wager ($1, $2, $3, $4, $5 or $10). The wager cannot exceed $10.

During each drawing, the lottery will draw four numbers. The first number corresponds to the numbers picked in the "R" column and so on. To win, players must match the lottery number drawn for each column to any one of the numbers picked for that column.

If a ticket wins, a player must cash out prior to the next drawing or his winnings will automatically "ride" into the next scheduled drawing if existing draws remain on the ticket.

"We are very excited about the launch of Let It Ride®," said Cohen. "Many of us at the lottery believe it is not only the biggest thing to hit Maryland but the entire lottery industry. If Let It Ride® is a big success (which we think it will be) we will look to add additional parlay-style games into our product mix."